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Editor-in-chief Erik Means

Online-editor **Anthea Pitt**

Sales & Marketing sales@upstream

business," Daniel said.

US refiners' thirst for Canadian oil.

Enbridge saddles up Clydesdale

By Upstream staff

Enbridge chief executive Pat Daniel said a new \$3 billion Illinois-Texas oil pipeline planned by his company and partner ExxonMobil should help Canadian producers narrow a big price gap between their oil and Mexican supplies.

Daniel said the planned Texas Access pipeline, which had also been dubbed Clydesdale, should help Canadian producers capture premium prices being paid for oil by refiners on the US Gulf coast.

"It's obvious why they're keen (on the new line)," Daniel told Reuters. Right now, Mexican Mayan crude is selling for about \$15 more a barrel in the Gulf than Western Canada Select crude is in Edmonton. We can get it there for \$6 to \$7 a barrel so ... it's a very good opportunity for producers to broaden their markets and improve their pricing."

The line, which will carry oil from Canada's oil sands to the biggest US refining centre, is expected to be complete in 2010 or 2011, Daniel said. It will run 768 miles (1244 kilometres) from Patoka, Illinois, to Nederland, near Beaumont, Texas, and then to refineries on the Houston Ship Channel.

Enbridge said it will begin a binding open season for the new line today, allowing shippers to contract for space on the pipeline.

The line, which could carry 400,000 barrels per day, is one of a number of new projects being mulled by Enbridge, whose network of pipelines carries about 70% of Canada's crude exports to the US.

The company is looking for new markets for a coming flood of crude oil expected from the oil sands, boosting capacity to the US with a suite of projects like the \$2.1 billion Southern Access line from Alberta to the

"We have C\$12 billion (US\$12 billion) in projects that are ... secured today and another C\$14 billion wave of projects under development," Daniel said. "It's a busy time."

The US reliance on Enbridge's lines was highlighted last month when an explosion near Clearbrook, Minnesota, killed two workers repairing one of the lines and briefly halted shipments.

Oil prices quickly jumped \$4 per barrel following the accident, though they soon moderated as shipments resumed.

Daniel said Enbridge is still working with regulators to determine the

Output from the oil sands is expected to triple over the next seven years to more than three million barrels per day as some of the C\$150 billion in projects planned to exploit the largest oil storehouse outside the Middle East are completed.

Some of those projects include high-profile tie-ups between oil sands producers and refiners, such as Husky Energy's joint venture with BP, which links a planned Husky oil sands mine with BP's Toledo refinery.

Daniel said that deal could prompt Enbridge to boost capacity on its Line 6B from Chicago to serve the refinery. "We are already hard-wired in there so we would expect to win that

But competition has become tougher for Enbridge. With the expansion of oil sands output, rival companies are eyeing new lines of their own to tap

TransCanada has been cleared to start construction of its \$5.2 billion Keystone pipeline that will carry as much as $590,\!000$ bpd from Alberta to the US Midwest.

As well, Kinder Morgan Energy Partners is reported to be mulling an Alberta to Texas line of its own that would carry 300,000 bpd.

However Enbridge, which has downplayed plans for a new line from Alberta to a Canadian West Coast port so it can concentrate on boosting capacity to the U. Midwest and the Gulf, expects to maintain its dominant market position.



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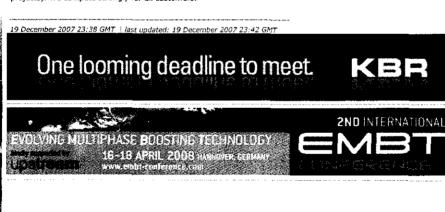
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"We have the lion's share of crude oil capacity expansion out of Western Canada," Daniel said. "We don't sit idly by and watch these (new projects). We compete strongly for all customers."





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ExxonMobil Pipeline Company

You are here: TXAP



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TEXAS ACCESS PIPELINE

Notice of Extension and Amendments to Open Season (Announcement)

The Open Season for the Texas Access Pipeline has been extended until 12:00 noon CDT on March 14, 2008.

In connection with the extension of the Open Season, Enbridge (U.S.) Inc. and ExxonMobil Pipeline Company have decided to exercise their right to revise the Notice of Open Season dated December 19, 2007 and the Open Season Documents, including the Project Summary and Additional Open Season Features and Terms, Transportation Services Agreement, Pro Forma Rules and Regulations Tariff, and Pro Forma Local Proportional Tariff. Copies of the amended Open Season Documents, together with copies marking the changes to the versions previously posted, have been posted to the confidential website that has been available to all potential shippers who have signed Confidentiality Agreements. All shippers who have signed Confidentiality Agreements are encouraged to download the revised documents directly from this confidential website. Copies may also be obtained by such shippers by contacting the individuals indicated below.

Shippers that wish to make volume commitments with respect to the Texas Access Pipeline will be required to submit executed copies of the revised TSA in accordance with the terms of the Amended Project Summary and Additional Open Season Features and Terms.

Any further changes to the Open Season process and any further extensions or amendments to any of the Open Season Documents will be posted directly to the confidential website referenced above. Notice that any such changes, extensions or amendments have been made will also be posted on this Website.

Please direct any questions or requests you may have concerning this Notice of Extension and Amendments to Open Season and Open Season process to the individual indicated below.

On December 19, 2007, Enbridge Inc. and ExxonMobil Pipeline Company announced the commencement of a Solicitation for Binding Shipper Commitment (Open Season) for a proposed new pipeline system, to transport crude oil from Patoka, Illinois to the Texas Gulf Coast. The new pipeline system, called "Texas Access Pipeline," will transport crude oil sourced from the Canadian oil sands region in Alberta and from the upper U.S. Midwest to refiners in the

Nederland and Houston, Texas, areas.

The proposed project comprises a new 768mile, 30-inch diameter pipeline which will transport crude oil from a receipt point in the vicinity of ExxonMobil Pipeline's Patoka, IL, crude oil terminal southward to a delivery point in the vicinity of existing terminals in Nederland, Texas. Also proposed is an 88mile, 24-inch pipeline to transport crude oil onward from Nederland to a delivery point in the East Houston area. Through potential connections with existing terminals in Nederland and Houston, the new pipeline system can provide shippers with the added flexibility of moving onto different crude oil distribution pipelines. The pipeline is expected to be in service in 2011.



"The Texas Access Pipeline will expand pipeline infrastructure to increase the reliable supply of crude oil to U.S. refineries," said Patrick D. Daniel, president and chief executive officer, Enbridge Inc. "Producers of crude oil from the Western Canada oil sands, and from the Williston Basin in North Dakota and Montana will benefit from low-cost transportation from the limited U.S. Midwest market to the large Gulf Coast refining market. Gulf Coast refineries and refined products consumers will benefit from access to reliable, competitively priced new sources of supply."

This Open Season is for shippers interested in executing binding commitments to transport specified volumes of crude oil on the new pipeline. The results of the Open Season will guide and determine the further development of the proposed pipeline project.

The Open Season commenced at 5 p.m. CST, Wednesday, December 19, 2007, and will be closed at noon CDT Friday, March 14, 2008 (originally closing on Friday, February 29, 2008). Shippers desiring long-term service are required to execute and submit completed and signed Transportation Services Agreements (TSAs).

General information about the Open Season process is provided below:

Parties wishing to receive access to the confidential Open Season documents including the Transportation Services Agreement (TSA) required for long-term service are required to execute a Confidentiality Agreement which may be found as Schedule 1 to the Open Season document (provided below). Note, no edits or amendments to this Schedule 1 - Confidentiality Agreement will be accepted.

Amended Notice of Open Season

Amended Notice of Open Season - Blackline

To execute the Confidentiality Agreement, a Committed Shipper must:

(A) Insert its name, state of incorporation or formation; email address; and contact information in the Confidentiality Agreement attached as Schedule 1.

(B) Submit three fully executed copies of the Confidentiality Agreement to the Sponsor contact noted below:

Chris Martin
Enbridge Liquids Pipelines
1100 Louisiana, Suite 3300
Houston, Texas 77002
(713) 821-2053

In order for shippers to have adequate time to fully evaluate the materials, it is recommended that shippers submit all three copies to the Sponsors as soon as possible.

Once the Confidentiality Agreement has been countersigned by the Sponsors, one copy will be returned to the shipper, together with a Username and Password and instructions on how to access the confidential open season documents. Once a shipper has successfully entered their Username and Password, they will be returned to this website and will be able to access the confidential website.

Please note: A successful login will be required each time you need access to the Open Season documents.

CLICK HERE to LOG IN and to enter your Username and Password

Once you have entered your Username and Password:

CLICK HERE to access Confidential Open Season Documents.

Further inquiries about this Open Season and website should be directed to:

Chris Martin
Enbridge Liquids Pipelines
1100 Louisiana, Suite 3300
Houston, Texas 77002
(713) 821-2053

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